

What are the banking and situational based questions asked in IBPS PO interview?

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SET-3

01.

What do you know by PIN number?

PIN number is four digit number expressed in numerical characters. PIN number is used for the transactions done using debit cards and credit cards through automated teller machines and point of sale terminals.

02.

What do you know by PAN number?

PAN number is known as permanent account number. This is used for the purpose of remittance of income tax with income tax department. Tax payers should get one PAN number by sending an application along with relevant documents and by payment of specified sum of money to Income tax department or their agencies. It is ten digit number consisting of alphabetical and numerical characters.

03.

What are the functions of DICGC?

DICGC means Deposit Insurance and Credit Guarantee Corporation and this corporation provides deposit insurance upto an amount of Rupees one lakh per depositor per bank in the event of insolvency of the bank and it also provides small loans guarantee upto certain limits

04.

What is the role played by ECGC?

ECGC provides guarantee support to the exporters of the country in the form of several export guarantees

05.

Mention the Regional Rural Banks which are functioning in Tamilnadu?

The Regional rural banks which are functioning in Tamilnadu are Pandiyan Grama Bank and Pallavan Gramin Bank. Pandiyan Grama Bank has been sponsored by Indian Overseas Bank and pallavan Gramin Bank has been sponsored by Indian bank.

06.

What do you mean by Mergers and what are the different kinds of mergers?

When two independent units merge together to form a single unit, it is known as merger. The mergers can be vertical merger, horizontal merger, reverse merger, consolidation, amalgamation etc.,

07.

What do you mean by horizontal merger and reverse merger?

When the business functions of two units are identical in nature and when the merger takes place between those units, it is known as horizontal merger. New Bank of India merged with Punjab National Bank and both are banking organizations. Industrial Credit and Investment Corporation of India Limited was instrumental in establishing ICICI bank as per LPG norms and subsequently Industrial Credit and Investment Corporation Limited merged with ICICI Bank and

when a parent unit gets merged with an ancillary unit, it is known as reverse merger.

08.

Which are the top two private sector banks in our country?

The top private sector banks in our country are HDFC bank limited and ICICI bank limited

09.

Whether housing loan is a priority sector advance and if so, upto what amount?

Housing loans granted are treated as priority sector advances subject to certain conditions. Loans to individuals up to Rupees 28 lakh in metropolitan centres (with population of ten lakh and above) and loans up to Rupees 20 lakh in other centres for purchase/construction of a dwelling unit per family, are eligible to be considered as priority sector provided the overall cost of the dwelling unit in the metropolitan centre and at other centres does not exceed Rupees 35 lakh and Rupees 25 lakh, respectively. Housing loans to banks' own employees are not eligible for classification under priority sector.

10.

Whether educational loan is a priority sector advance?

Loans to individuals for educational purposes including vocational courses upto Rupees 10 lakh irrespective of the sanctioned amount are eligible for classification under priority sector.

11.

What do you mean by micro, small and medium enterprises?

The classification is based on original investment in plant and machinery: For micro enterprises, upto Rs. 25 lakhs for manufacturing units and Rupees 10 lakhs for service units; For small enterprises, for manufacturing units above Rupees 25 lakhs and upto Rs. 5 crores and for service units above Rupees 10 lakhs and upto Rupees 2 crores; For medium enterprises, for manufacturing units above Rupees 5 crores and upto 10 crores and for service units above Rupees 2 crores and upto Rupees five crores

12.

What do you mean by KYC and name any two important documents which are obtained as per KYC?

KYC means know your customer guidelines and these guidelines were prescribed by RBI for new customers who are willing to open accounts with commercial banks and according to KYC, any new customer who is willing to open accounts with commercial banks should submit the photocopy of anyone of the following namely; driving licence, voter id card, AADHAARA card, passport as address proof and photocopy of anyone of the following namely; driving licence, voter id card, AADHAAR card, passport, pancard as identity proof. KYC is antimoney laundering device.

13.

What is the present repo rate and reverse repo rate?

The present repo rate is 6.25% and reverse repo rate is 5.75%

14.

In the case of MICR code, the middle three digits represent what?

MICR code consists of nine numerical digits and the middle three numerical digits represent bank name

15.

PAN number consists of how many alpha characters?

PAN number consists of ten digits. The first three alpha characters are random alphanumerical characters between AAA to ZZZ; next one alpha character represents the category of the cardholder; the next one alpha character represents the first character of the name of the cardholder; the next four numerical digits are auto generated sequential numbers and the last one single alpha character is a check digit.

16.

What do you know by biometric automated teller machines?

In the case of automated teller machines, the four digit numerical PIN number is used for performing transactions using debit card and credit card. In the case of biometric automated teller machines, instead of PIN numbers, anyone of the following body parts is used – left hand thumb impression; eye retina and voice recognition. In India, the left hand thumb impression is the accepted mode and these kinds of automated teller machines are known as green label automated teller machines.

17.

What is the criteria by which a bank is considered as largest bank?

For the purpose of ranking, a bank is considered to be largest or smallest taking into consideration the business position of the bank; namely – the total deposits and total advances as at the end of March each year.

18.

What do you mean by commercial paper?

Commercial papers are issued by well rated organizations for mobilizing funds from the public and other corporate. They are issued at a discount and they are freely negotiable by endorsement and delivery. The minimum maturity period is seven days and the corporate should have earned credit rating equivalent to P2 issued by CRISIL

19.

What do you mean by FCNR?

FCNR means foreign currency non resident accounts. Non resident Indians and Persons of Indian origin are eligible to invest in this deposit. It is a term deposit accepted in the currencies – US dollar, Sterling Pound, Euro, Japanese Yen, Canadian dollar and Australian dollar. The minimum period of deposit is one year and the maximum period is five years and the deposit is held in foreign currencies and the interest earned is free from income tax.

20.

What do you mean by Escheat?

He is a person who dies without leaving any legal heirs and in this case, his estate will revert to the state government.